Investment of Foreign Industrialists

971. SHRI SHRIBALLAV PANIGRAHI: Will the PRIME MINISTER be pleased to state:

(a) the details of the countries whose industrialists have been specifically invited to invest in India; and

(b) the steps Government have taken to ensure that rupee becomes convertible on trade account?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P.J. KURIEN): (a) and (b). Various Policy initiatives detailed in the Statement on Industrial Policy tabled in both Houses of Parliament on 24th July, 1991 are aimed at generally attracting foreign investment and technology transfer. Companies from the USA, Germany, Japan and France have shown interest. Since the announcement of the New Industrial Policy, over 250 foreign collaboration proposals have been approved upto the end of October, 1991. Of these, over 60 proposals envisage direct foreign investment of about Rs. 170 Crores in diverse industrial sectors like Industrial Machinery, Electrical equipments, Medical instruments, Chemicals, Food Processing Industries etc.

As regards making the Rupee convertible on trade account, the Government is, as an immediate step, maintaining a competitive exchange rate policy and establishing, through the new Eximscrips system, a direct link between imports and exports. Exporters are allowed to retain 30% and in a few cases 40% of their export proceeds for this purpose. The Eximscrips are freely transferable and command a market premium in excess of 20%.

[*Translation*]

Manufacture of HMT Watches

972. SHRI DAU DAYAL JOSHI: Will the PRIME MINISTER be pleased to state whether there is any scheme to manufacture HMT watches in bulk in order to earn foreign exchange by exporting them?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P.K. THUNGON): In their 8th Plan proposals, HMT has plans to manufacture watch components and movements for exports. The 8th Plan proposals have still to be finalised.

Profit/Loss on the Sale of Items by P.D.S.

973. SHRI DAU DAYAL JOSHI: Will the PRIME MINISTER be pleased to state:

(a) the extent of profit earned and loss incurred on the items being sold through Public Distribution System;

(b) whether the Government propose to make arrangements to sell the said items on profit; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES AND PUBLIC DISTRIBUTION (SHRI KAMALUDDIN AHMED): (a) to (c). There is no effort made, as a matter of policy, to sell PDS commodities at a profit, since the intention is to supply these commodities to the consumers at reasonable prices. In the case of foodgrains, their purchase at support prices also helps the farmers. The extent of subsidy paid to FCI, in 1990-91, on wheat, rice and sugar was of the order of Rs. 2450 crores.